

ANSWER: Hidalgo objects to this Interrogatory because it is overly broad, unduly burdensome and seeks material that is protected by the attorney-client privilege, the work product privilege and the party communications privilege.

Subject to these objections and without waiving same:

The "Z" design, or the helical joiner method (as it is referred to in the patent), as it applied to the ESS stent, was Hidalgo's idea and was his invention.

Hidalgo, having had previous experience with other stents and stent materials at the San Francisco Heart Institute, knew and discussed with Stertzer and Boneau (i) that 316L stainless steel was a good material to use with stents; (ii) that a prosthetic mechanical device to keep vessels open was needed and necessary due to the restenosis rates of balloon angioplasty; and (iii) that the device had to be easily delivered to the affected area, easily expanded to the desired size and low in crossing-profile. Hidalgo discussed ideas of different design configuration with Boneau, including the length and thickness of the wire. Hidalgo initially advised Boneau of the bracelet-type model, zigzag configuration, and explained how it worked.

After several human and animal studies were done in the Seton Cardiac Catheterization Lab and elsewhere, it was determined by Boneau, Hidalgo and Stertzer that the 4.2 mm length stents were too short for larger vessels and ostial lesions due to its instability in the vessel lumen (the stents turned sideways). The stent was then lengthened to 7.2 mm. After using multiple balloon catheters of different material, Hidalgo requested that Advanced Cardiovascular Systems build a 9 mm length uncoated (no lubricious coating) balloon. On this balloon, two 4.2 mm or one 7.2 mm length stents could be mounted. This balloon was labeled

the S.B.H./Stertzer, Boneau, Hidalgo special angioplasty balloon. Hidalgo personally crimped these hand-made stents on balloons until it was determined, given the inconsistent manufacturing, that a better manufacturing process/technique had to be used.

Documents, produced by Hidalgo, which support, refer or relate to this response include: HTX 000001-000012; HTX 000014-000016; HTX 000020-000021; HTX 000023; HTX 000073; HTX 000076-000077; HTX 000083; HTX 000102-000103; HTX 000112; HTX 000131-000136; HTX 000165-000166; HTX 000174; HTX 000193; HTX 000195; HTX 000199; HTX 000202; HTX 000204; HTX 000619-000621.

INTERROGATORY NO. 2: Do you contend that you played a role in the ultimate design of the stent that is the foundation of the AVE product line? If yes, state each fact supporting your contention, and identify each document that supports, refers or relates to your contention.

ANSWER: Hidalgo objects to this Interrogatory because it is overly broad, unduly burdensome and seeks material that is protected by the attorney-client privilege, the work product privilege and the party communications privilege.

Subject to these objections and without waiving same:

Yes. Hidalgo incorporates by reference, as if set forth verbatim, his entire response to Interrogatory No. 1.

INTERROGATORY NO. 3: Do you contend that Miller was a founder, director, and the chief financial officer of AVE while, at the same time, a financial advisor to Hidalgo and

Anwar? If yes, state each fact supporting your contention, identify each person with knowledge of your contention, and identify each document that supports, refers or relates to your contention.

ANSWER: Hidalgo objects to this Interrogatory because it is overly broad, unduly burdensome and seeks material that is protected by the attorney-client privilege, the work product privilege and the party communications privilege and it duplicates a prior discovery request on the same point. Hidalgo objects to the Interrogatory because he was examined, at length, on this point in his deposition, and therefore this request is unduly burdensome and constitutes harassment.

Subject to these objections and without waiving same:

Yes. By way of example, the prospectus of AVE dated April 2, 1996 states: "John D. Miller, C.P.A. is a founder of the Company and has served as Vice President, Finance since January 1996, Secretary since May 1995 and Chief Financial Officer, a Director and Treasurer since the Company's incorporation in July 1991." In addition, Miller provided financial and accounting services to AVE, financial and accounting services to ESS, and also financial and accounting services to Dr. Anwar, Dr. Stertz, Hidalgo and others. Miller has also testified that he served as an accountant and rendered financial advice to Hidalgo and Anwar.

Persons listed in Interrogatory No. 1 to Plaintiff Benito Hidalgo's Third Amended Objections and Answers to Defendant Gerald Dorros's First Set of Interrogatories may have knowledge of such facts.

Documents, produced by Hidalgo, which support, refer, or relate to this response include: HTX 000201; HTX 000210; HTX 000212; HTX 000215; HTX 000217-000218;

HTX 000230; HTX 000236; HTX 000394; HTX 000405; HTX 000477; HTX 000549;
HTX 000682; HTX 000784.

INTERROGATORY NO. 4: Have you ever been a party to any other lawsuit? If yes, for each such lawsuit, identify the parties, state the cause number, the date on which it was filed, and the court in which it was filed. Describe the nature of the claim(s) asserted.

ANSWER: Hidalgo objects to this Interrogatory because it is entirely irrelevant and immaterial to the subject matter in the pending action, and it is not reasonably calculated to lead to the discovery of admissible evidence. Moreover, Hidalgo objects to this Interrogatory because it is an invasion of his personal, constitutional and/or property rights in violation of Rule 166b(5) of the Texas Rules of Civil Procedure. Finally, Hidalgo objects to this Interrogatory because it constitutes an unreasonable, oppressive and harassing question.

Subject to these objections and without waiving same:

None, other than suits between these parties.

INTERROGATORY NO. 5: Did you sign a release (or releases) pertaining to the ESS-AVE stock exchange after receiving the advice of an attorney? If yes, identify each person with knowledge of your execution of the release, and identify each document that refers or relates to the release.

ANSWER: Hidalgo did not sign a release that was intended to cover the claims raised in this litigation. See answer to Interrogatory No. 6.

INTERROGATORY NO. 6:

Do you contend that the releases are invalid? If yes, state each fact that supports your contention, and identify each document that supports, refers, or relates to your contention.

ANSWER: Hidalgo objects to this Interrogatory because it is vague, ambiguous, overly broad, unduly burdensome and seeks material that is protected by the attorney-client privilege, the work product privilege and the party communications privilege. Hidalgo further objects to this contention Interrogatory on the grounds that he has not had access to the defendants' documents and therefore cannot provide all facts that might be responsive to this Interrogatory. Moreover, Hidalgo objects to this Interrogatory to the extent it purports to impose on Hidalgo any obligation to catalogue what actions by the defendants render any release invalid. The defendants were fiduciaries, and as such, had an absolute duty to establish not only that all facts were disclosed to Hidalgo, but that no facts were concealed from him, in connection with any transaction, including the execution of a release.

Subject to these objections and without waiving same:

Yes, assuming that by "releases" the defendants refer to the documents referenced below. Any release that purports to release defendants from their fraudulent conduct is void, invalid and non-binding, and that would include the provisions in paragraph 9 of the Separation and Release Agreement and paragraph 3.5 of the Stock Exchange Agreement. Neither paragraph was intended to cover the claims asserted in this litigation, and to the extent they are purported to do so, such releases are void because they were obtained by fraud and in violation of California securities laws.

The defendants withheld information from Hidalgo as detailed in Hidalgo's responses to Bradley Jendersee's First Set of Interrogatories, as described in Hidalgo's Opposition to Defendants' Motions for Summary Judgment and Summary Adjudication cited in the California action in the Opposition of Real Party in Interest to Petition of Writ of Mandate, and as detailed in Plaintiff's Motion for Partial Summary Judgment. Each of these documents identified numerous documents which support, refer, or relate to, this response. Pursuant to Tex. R. Civ. P. 166b, Hidalgo hereby renders such documents, and copies of which will be made available to the defendants at a mutually convenient time and place.

INTERROGATORY NO. 7: Identify each and every opportunity you had to acquire AVE shares before AVE went public.

ANSWER: Hidalgo objects to this Interrogatory because it exceeds the scope of discovery as established in Tex. R. Civ. P. 166b(2), is irrelevant and immaterial to the subject matter of the pending action, and is not reasonably calculated to lead to the discovery of admissible evidence. Further, Hidalgo had no such opportunity other than that which was offered by AVE. Consequently, AVE has full knowledge of each such opportunity.

INTERROGATORY NO. 8: Identify each broker and financial advisor used by you since January 1, 1988, and for each, identify the broker or advisor company, the account number, and identify the transaction made with his advice or assistance.

ANSWER: Hidalgo objects to this Interrogatory because it is overly broad, unduly burdensome, irrelevant and immaterial to the subject matter of the pending action, and is not

reasonably calculated to lead to the discovery of admissible evidence. Moreover, Hidalgo objects to this Interrogatory because it is an invasion of his personal, constitutional and/or property rights in violation of Rule 166b(5) of the Texas Rules of Civil Procedure.

Subject to these objections and without waiving same:

Hidalgo has previously identified John Miller as rendering accounting and financial advice to him during the period when the conduct challenged in this suit occurred. Hidalgo did not rely upon any other accountant or financial advisor to advise him on the transactions at issue.

Respectfully submitted,

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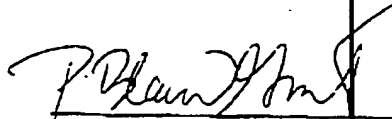
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ATTORNEYS FOR PLAINTIFFS

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via certified mail, return receipt requested, on the following counsel of record on the 5th day of January, 1998:

Charles W. Cunningham
McKool Smith, P.C.
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Dallas, TX 75201

A handwritten signature in cursive script, appearing to read "P. Blain Smith", is written over a horizontal line.

VERIFICATION

THE STATE OF CALIFORNIA §
COUNTY OF SAN MATEO §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Benito Hidalgo, who, upon his oath, deposed and said that he has read the foregoing First Amended Objections and Answers to Defendant Gerald Dorros, M.D.'s Second Set of Interrogatories, that the facts contained therein are true and correct and are within his personal knowledge.

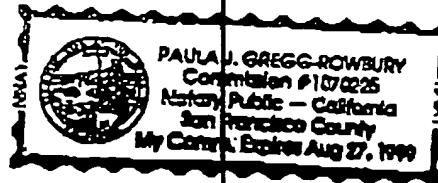
Benito Hidalgo
Benito Hidalgo

SUBSCRIBED AND SWORN TO before me on the 8th day of January, 1998, to
certify which witness my hand and official seal.

Paul J. Gregg-Rowbury
Notary Public, State of California

My Commission Expires:

8/27/99



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